



**DEPARTMENT OF DEFENSE
DEFENSE INTELLIGENCE AGENCY
WASHINGTON 25X30.C. 20301**

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C-56068/F-B

31 October 1963

SUBJECT: (U) DIA Participation in Military Economic Intelligence

**TO: Director
Central Intelligence Agency
Washington, D.C. 20301**

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1. In response to expressions of interest on the part of Secretary McNamara, I have initiated action to augment and improve DIA capabilities in the field of military economic intelligence, particularly in the sphere of military cost analysis and the relation of costs to military effectiveness.
2. It is my intention to limit the number of DIA personnel engaged in this activity to the minimum consistent with the tasks to be performed and the quantity and quality of data generated within and made available to DIA by the CIA and other agencies now engaged in research in the field. The initial DIA effort in this augmented program of Bloc military cost analysis will consist of a group of two or three analysts.
3. DCID 3/1 recognizes that despite the allocations of primary production responsibilities, there are areas of common or overlapping interest which require continuing interagency liaison and cooperation. It is my desire to insure non-duplication of effort and to provide for the most effective utilization of produced economic intelligence in response to Department of Defense needs by closer liaison and cooperation.
4. I would greatly appreciate it if our respective representatives could make informal arrangements for close working cooperation between the two or three DIA analysts who will constitute the nucleus of our early effort and the pertinent analysts in the CIA.

JOSEPH F. CARROLL
Lieutenant General, USAF
Director

DIA review(s) completed.

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